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The Deputy Director

10 July 1 51

Mr. Montague, NSC Staff Assistant

Action Required Pursuant to NSC Action
No. 487 a

References: A. NSC 68/1, Annex No. 5
B. NSC 68/3, Annex No. 6
C. NSC 68/4, para. 18

1. NSC Action No. 487a directs the Senior NSC Staff to review the status of the programs described in NSC 68/4, including analysis of any difficulties which may be impeding or preventing their successful execution, and to make recommendations regarding any revision or modification of the policies and programs contained in NSC 68/4. The President requires a preliminary report on the current status of these programs by about 1 August and a final report by 1 October.

2. The review of NSC 68/4 is primarily concerned with such matters as US rearmament, foreign military and economic assistance, civilian defense, etc., regarding which CIA has no direct responsibility. It does include a review of programs for the "improvement and intensification of intelligence and related activities" regarding which CIA is responsible, not only with respect to the Agency's own activities, but also as coordinator of the entire US intelligence effort. Previous CIA contributions on this subject may be found in the References. The intensification of intelligence activities is a matter of critical importance, but, budgetwise, the programs involved are inconsiderable in relation to the grand total of those projected in NSC 68/4. The subject can therefore be treated in summary form, having regard to due proportion as well as to security. Any summary generalizations, however, should be based on a genuine review within CIA and the IAC.

3. The Senior NSC Staff has designated a Steering Committee composed of its State, Defense, and COM members (Messrs. Nitze, Nash, and Mitchell) to coordinate the preparation of the required reports. This Committee has agreed:

a. That State (Mr. Nitze), with the assistance of representatives from Defense and CIA, should prepare an analysis of changes in the world situation since the preparation of NSC 68 which affect US security objectives and programs.

b. That, as a first step in the review of programs for the "improvement and intensification of intelligence and

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related activities,* CIA should be called upon to prepare rough outline notes and to make an oral presentation to the Committee on the following points:

- (1) What is the present program?
- (2) To what extent has it been completed?
- (3) What are the difficulties encountered or anticipated?
- (4) What is the estimated adequacy and timing of the present program?

4. As regards the requirement indicated in para. 3a, the initiative rests with State (Mr. Nitze). It should be noted that the requirement is not for an intelligence estimate, as it might at first appear, but for a State-Defense evaluation of the adequacy of current policies and programs in the light of the current situation. Theoretically such an evaluation should be based on a national intelligence estimate, but as a practical matter neither CIA nor the IAC could possibly frame, in a vacuum, the specific terms of reference prerequisite for a useful contribution to the solution of this specific problem. Effective collaboration of the sort apparently contemplated in the association of State, Defense, and CIA in this task requires a closer liaison between CIA and the policy-formulating agencies of State and Defense than now exists. In any case, a national intelligence estimate specifically addressed to this problem could not be completed in time for State-Defense use in relation to the 1 August report. On the basis of previous experience, State may be expected to draft the required policy evaluation without consulting CIA and, at best, to submit the completed text to CIA for comment, from the intelligence point of view, just prior to the deadline. As a practical matter, this would seem to be the best procedure so far as concerns the 1 August report. The appropriate representative of CIA, however, should at once consult Mr. Nitze regarding his actual intentions in this matter, get as much time as possible for IAC coordination, and alert the IAC regarding its role in whatever procedure is agreed upon.

5. The requirement in para. 3b concerns the Agency as a whole and the IAC, rather than DDCI. It is therefore one of those cases which, by direction, I refer to the Executive Assistant. In late May, anticipating this requirement, I alerted Mr. Kirkpatrick with respect to it, suggesting that the indicated review be initiated at once. On 12 June I again called the matter to his attention, with specific reference to NSC Action No. 487g. I do not know what action may have already been taken by him in consequence.

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6. Recommendations. To meet the requirements indicated, I recommend:

- a. That the Assistant Director, ME, be directed to consult with Mr. Nitze regarding CIA's participation in the task indicated in para. 3g and to arrange for the maximum practicable IAC coordination in that connection.
- b. That the appropriate member of the Director's office, presumably the Executive Assistant, be definitely charged with coordination of the preparation of the report indicated in para. 3b.
- c. That the Assistant Directors of CIA be alerted and briefed with respect to the subject as soon as possible, presumably at their regular meeting on 16 July, and that each be directed to render a preliminary report on the lines indicated in para. 3b by 23 July.
- d. That the members of the IAC be alerted and briefed with respect to the subject at the earliest practicable date and that each be requested to submit a preliminary report on the lines indicated in para. 3b by 23 July.
- e. That these preliminary reports be used as the basis for a generalised summary statement to be submitted to the NSC Steering Committee after crash coordination through the IAC.
- f. That a similar procedure be followed, at a more deliberate pace, in preparing the 1 October report for the NSC.

Lindwall L. Montague
NSC Staff Assistant

cc: Dr. Langer

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Mr. Reber

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